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**FISCAL IMPACT STATEMENT**

**LS 7492**

**BILL NUMBER:** SB 368

**NOTE PREPARED:** Jan 15, 2005

**BILL AMENDED:**

**SUBJECT:** Teacher contracts.

**FIRST AUTHOR:** Sen. Kenley

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**      **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill requires a school corporation to take action not later than June 1: (1) to cancel an indefinite contract with a permanent or semi-permanent teacher; or (2) to refuse to renew a contract with a nonpermanent teacher, a superintendent, an assistant superintendent, a principal, or an assistant principal. It limits language in the teachers' collective bargaining law that prohibits a school employer from unilaterally changing the terms and conditions of employment (if no agreement on those terms and conditions has been reached 14 days before the school employer submits a budget) to items that must be bargained collectively.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill sets a uniform date for the cancellation of a contract for permanent teachers, semi-permanent teachers, nonpermanent teacher, superintendents, assistant superintendents, principals, or assistant principals. Currently, teachers have to be notified by May 1 and assistant superintendents, principals, and assistant principals have to be notified by February 1 if a contract is not to be renewed. A superintendents must be notified by January 1 if a contract is to be terminated. The bill would give greater flexibility to schools in planning expenditures. Currently schools have to send termination notices to teachers and then may offer the teacher a contract later in the school year when more teachers retire, do not return, or revenue is greater than expected. This change in the notification dates could improve local school budget planning.

The bill also makes changes to language in the teachers' collective bargaining law. If no collective bargaining agreement for teachers is agreed up on 14 days before the school first publishes the legal notice of its budget then the parties are to continue the status quo for items that must be bargained collectively on items related to salary, wages, hours, and salary and wage related fringe benefits, including accident, sickness, health, dental, or other benefits.

*Background:* Under current law if the following items are subject to the status quo provisions if the school included them in the collective bargaining agreement:

- (1) Working conditions, other than those provided in section 4 of this chapter.
- (2) Curriculum development and revision.
- (3) Textbook selection.
- (4) Teaching methods.
- (5) Hiring, promotion, demotion, transfer, assignment, and retention of certificated employees, and changes to any of the requirements set forth in IC 20-6.1-4.
- (6) Student discipline.
- (7) Expulsion or supervision of students.
- (8) Pupil-teacher ratio.
- (9) Class size or budget appropriations.

This provision could reduce school expenditures depending on the status of collectively bargained contracts and what items had been included in prior contracts.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Schools

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.